

MINUTES
LEGISLATIVE RESEARCH COMMISSION (LRC)
ENERGY POLICY ISSUES

COMMITTEE MEETING

February 15, 2012

The Legislative Research Commission Energy Policy Issues Committee met on Wednesday, February 15, 2012 at 1:00 p.m. in Room 643 of the Legislative Office Building, presided over by Senator Bob Rucho, Chair of the committee. Also in attendance were committee members Senators Blake, Rabon, and Walters.

Senator Rucho called the meeting to order and spoke on information mailed out by a group talking about the fact that Senate Bill 709 leads to fast-track fracking. Senator Rucho stated that, first of all, the group asked to speak today, and apparently, if they don't understand that S-709 had nothing to do with that, then they have a hard time reading the law. If they keep pushing out information like this that is untruthful, then they shouldn't be in any place providing that information and that is why today when we extended invitations to people on all sides of this issue, the Southern Environmental Law Center was not included because of the fact that we felt that if they couldn't provide the truth and honesty, then probably they shouldn't be speaking at this meeting.

A Motion was called for by the Chair and made by Senator Rabon for the adoption of the minutes from the January 18, 2012 meeting. The motion was unanimously adopted.

During the meeting Senator Rucho recognized Rep. Jamie Boles, Rep. Mike Stone, both from Lee County, Assistant Secretary for Energy Jon Williams—Commerce Department, Assistant Secretary for Natural Resources David Knight—DENR, and Assistant Secretary for the Environment Robin Smith—DENR.

Senator Rucho also made several comments throughout the meeting:

First, any written questions or comments that people in the audience would like to submit to our staff, we would welcome them and, more importantly, we will use them in our deliberation as we go over the body of evidence and see what is right and wrong in regards to this effort.

Second, members of the committee you have a copy of a letter from the Lee County Environmental Affairs Board addressing some issues that we are discussing today regarding energy policy and in that is a number of questions about the process, about who oversees the regulations, and what impact or what role will the local communities will have. Those, again, will be considered during our deliberation as we proceed forward. Again, I wanted to make sure that was included.

Third, I was at a meeting the other day and good, interesting comment came up that made me pause a moment. Today, the current world population is about 7 billion people and the United Nations estimates by 2050 that will grow by 2 billion, up to 9 billion. Now, what does that growth mean over the next 38 years? They did an extrapolation and they looked at it and what that means is that over the next 38 years for every week they will be adding a city of 1 million citizens--a brand new city for every 1 million people. You can't afford to

just sit back and put your head in the sand. There are a lot of things happening in the world that are beyond our control. This is important to North Carolina, important to the United States. This has a huge impact on the rest of the world, because I am sure at some time these folks will want to be warm, cool, whatever—provide them electricity, so hopefully, what we do is make the right decision based on a need.

Also recognized were the following 11 speakers:

1. **Tom Hassenboehler, Vice President, Policy Development and Legislative Affairs, America's Natural Gas Alliance (ANGA), Washington, DC, spoke on the exploration for and extraction of shale gas in North Carolina. Handout is attached. There were no questions by committee members for Mr. Hassenboehler.**
2. **Joe Rudek, Senior Scientist, Environmental Defense Fund, spoke on environmental and natural resource issues related to the exploration for and extraction of shale gas in North Carolina. Mr. Rudek's handout is attached.**
3. **Will Morgan, Director of Government Relations, North Carolina Chapter of the Sierra Club also spoke on environmental and natural resource issues related to the exploration for and extraction of shale gas in North Carolina. Mr. Morgan's handout is attached.**
4. **Robert B. Jackson, Nicholas Chair of Global Environmental Change, Nicholas School of the Environment, Duke University, spoke on recommendations concerning exploration for and extraction of shale gas in North Carolina. Mr. Jackson's handouts are attached.**

The following six speakers spoke on landowner and property rights issues related to the exploration for and extraction of shale gas in North Carolina:

5. **Jordan Treakle, Mineral Rights Project Coordinator, Rural Advancement Foundation International-USA. Handout is attached.**
6. **W. Daniel Amburn, Legislative Specialist, North Carolina League of Municipalities. Presentation is attached.**
7. **Amy Bason, Legislative Counsel, North Carolina Association of County Commissioners. Presentation is attached.**
8. **Jim Womack, Commissioner, Lee County Board of Commissioners. Handout is attached. There were no questions by the committee members for Commissioner Womack.**
9. **Dan Butler, Property Owner, Lee County.**

10. Dr. Ray Covington, Property Owner, Lee County, representing North Carolina Oil and Gas, a consortium of landowners in Lee County. Handout is attached. Dr. Covington's handout is included. There were no questions asked by the committee.

11. Sara Banaszak, Vice President and Chief Economist, America's Natural Gas Alliance, spoke on economics of shale gas exploration and extraction in North Carolina. Handout is attached. There were no questions by the committee members for Ms. Banaszak.

Senator Rucho adjourned the meeting at 4:02 p.m.

Respectfully submitted,

Senator Bob Rucho, Chair

Helen Long, Committee Clerk